

School Readiness Funding: Future Directions

September 2022





Ministerial foreword

School Readiness Funding: Future Directions

In 2018, the Victorian Government announced an Australian first, School Readiness Funding (SRF) – a program designed to give *all* Victorian children an equal chance to thrive.

We did this because we know that quality early learning programs, especially kindergarten, make the world of difference when it comes to supporting the learning and development of our children.

The Victorian Government is clear in its commitment to a world class education system that starts with the early years.

We are investing \$9 billion over the next decade in the *Best Start, Best Life* reforms because we know that early education has a profound effect on the way children develop.

As part of these reforms, we are introducing Free Kinder from 2023, creating 50 new government-owned early learning centres and moving to 30 hours of Pre-Prep for all children. We are also investing almost \$5 billion to deliver a full 15 hours per week of funded Three-Year-Old Kindergarten across the state by 2029.

We are also reviewing – and improving – the successful SRF program.

SRF acknowledges that children's early learning experiences are crucial to their success in later life and that our educators build and shape the skills that will see children flourish.

The first kindergartens received SRF in 2019 and, since then, the program has been expanded to all funded kindergartens across the state.

At the same time, we have reviewed and evaluated the program. We have listened to the people who use SRF; we have heard what works well and how it can be improved.

We want to thank all kindergarten services that took part in the evaluations of SRF. You have helped us to broaden our understanding of how it is working in the kindergarten sector.

Australian research shows that one in five Victorian children start school developmentally vulnerable and, once behind, they tend to stay behind.

Victoria's success as the Education State starts in the early years. The changes to SRF will further improve outcomes in communication, social and emotional wellbeing, access and inclusion for children.

The Hon Ingrid Stitt MP

Minister for Early Childhood and Pre-Prep

SRF provides kindergartens with additional resources to better support children so they start school developmentally on track.



About School Readiness Funding

School Readiness Funding (SRF) is an Australian-first funding program that has been rolled out in three tranches between 2019 and 2021 to all early childhood services with a funded kindergarten program.

SRF is a permanent and ongoing part of the Victorian kindergarten funding model. It funds a range of programs and supports that aim to build the capacity of services, educators and families to support children's learning and development.

SRF provides additional resources for kindergarten services to enhance kindergarten programs and better support children – especially those facing educational disadvantage – so they start school developmentally on track. Educational disadvantage describes the challenges faced by children due to economic, cultural or social circumstances that limits their access to, or engagement with, education.¹

Under SRF, kindergarten services can use the funding in three priority outcome areas:

1. Communication (language development)
2. Wellbeing (social and emotional)
3. Access and inclusion.

The priority areas were informed by consultation with the sector and Early Childhood experts and are underpinned by evidence which tells us they will make the biggest difference for children's outcomes, particularly those who experience educational disadvantage.

SRF has been designed to direct funding towards the three identified priority outcome areas while also enabling kindergarten services to respond to local community need.

The three-year state-wide roll-out of SRF has been an exciting and, at times, challenging process. Victoria's kindergarten services have driven its success.

"We're just getting the assistance to further these children without ticking any markers... it's help for everyone, and it's help that they need."
- Kindergarten service

SRF for today and tomorrow

The past two years have been challenging for kindergarten communities, as the COVID-19 pandemic created uncertainty and disruption for children's development and wellbeing – particularly for vulnerable children.

However, given all funded kindergarten programs in Victoria are now accessing SRF, the time is right to review how it supports the sector to improve outcomes for children experiencing educational disadvantage.

Since the roll-out of SRF began in 2019, the Department of Education and Training has used the Early Childhood Strategic Evaluation of SRF (ECSE of SRF) to collect information from the sector on any issues with SRF implementation.

Across 2021 and 2022 the Department also conducted an SRF process evaluation, which provided valuable information and feedback from kindergarten services about how they engage with and use funding in their service.

This has involved considerable input from the sector, including completing evaluation surveys, participating in interviews and sharing their experiences of SRF with our local Early Childhood Improvement Branch staff.

These evaluation activities have highlighted significant strengths in SRF and identified opportunities for improvement.

In response to this feedback, the Victorian Government is committed to a range of changes that will improve and build on the success of SRF.

Ensuring we maximise the benefits provided through SRF will be even more important with the introduction of Free Kinder from 2023 and the staged introduction of Pre-Prep from 2025.

These changes aim to maximise learning and development outcomes for children experiencing educational disadvantage – children who need it most.

"We've been able to put structures in place, empowering our kinder teachers to reflect on their practice." - Kindergarten service



What we've heard – the positive impact

SRF is making a difference for children and their families.

Data indicates that SRF is contributing to improvements in the priority areas of children's learning outcomes – communication, social and emotional wellbeing.

Early analysis of reading results² for Prep children who attended a kindergarten receiving SRF showed they were 1.4 times more likely to achieve at or above the expected level than the cohort of children who attended the same kindergartens prior to the roll-out of SRF.

In 2021, 95%³ of services reported that SRF was impacting identified outcomes, with 65%⁴ of services noting these outcomes had been met and/or exceeded.

In addition, more than 80%⁵ of teachers report that outcomes for children are improving, including changes in social and emotional development, language development and service engagement.

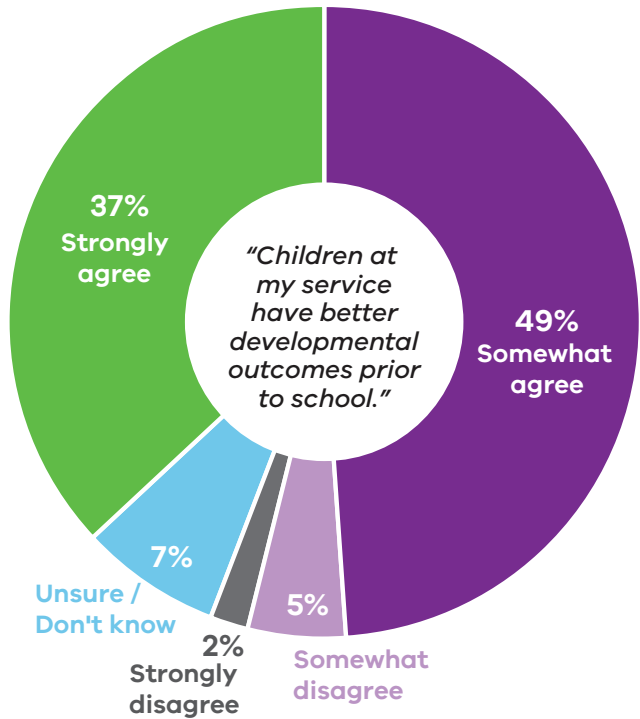
More than 75%⁷ of kindergarten services agree SRF has led to an improved capacity of services and staff to respond to the needs of children and families.

When educational leaders, teachers and educators have a shared vision and work towards a set of clear goals, it increases their capacity to enhance children's learning and development outcomes.⁸

SRF also supports positive changes in service practice and provides opportunities for educators to learn about new and innovative approaches to program planning and set-up.

More than 68%⁹ of kindergarten services agree there has been an increase in the uptake of evidence informed programs and supports due to SRF.

Teacher responses on whether School Readiness Funding means that children at their service have better developmental outcomes⁶



"It's been wonderful to see the differences for children. Our focus has been wellbeing and we're seeing lots of changes. I talk with other services and there's a bit of difference in focus but its consistent that children are improving." - Kindergarten service

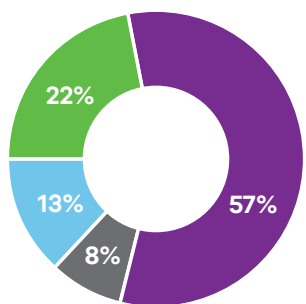
What we've heard – the positive impact

Teachers report that they have adjusted kindergarten program planning to better reflect children's needs. Teachers also report an increased capacity to assess and identify the different needs of individual children¹⁰.

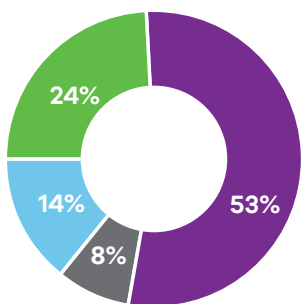
They also said they were better equipped to respond to these individual needs and that SRF had enabled them to develop a greater understanding of different strategies, as well as the skills and confidence to apply them.

The SRF process evaluation also reported exciting examples of how SRF is being used to support children's development in the years before school.

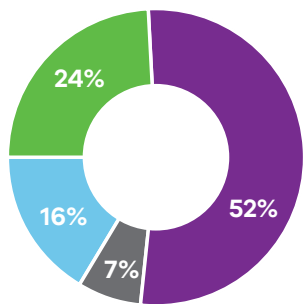
Early childhood teacher practice changes¹¹



...tailoring supports aligned to the needs of children and families



... identifying, assessing and responding to child vulnerabilities



... working collaboratively with other health and education services

Strongly Agree
(i.e. substantial improvement is occurring)
Somewhat Agree
(i.e. some improvement is occurring)
Disagree
(i.e. no meaningful change in outcomes)
Unsure / Don't know

"One of the ways we've utilised it is to embed it [into] our programs...we utilise breakfast club... [we have] a lending library and we've also used a lot [of] mentoring. We've made it so it's not time consuming, [and] it's far more beneficial to ourselves and to the children." - Kindergarten service



Communication is one area of opportunity to improve outcomes for educationally disadvantaged children.

What we've heard – room for improvement

While it is clear SRF is having a positive impact, and is highly valued by the sector, there is room for improvement.

Expanding the scope of the current priority areas may further improve outcomes for educationally disadvantaged children.

Recent Australian Early Development Census (AEDC) results continue to highlight the Victorian Early Years Learning and Development Framework (VEYLDF) outcomes of 'communication' and the social and emotional elements of 'wellbeing' as the areas with the greatest opportunity to improve the overall outcomes for children experiencing educational disadvantage.

More than 70%¹² of kindergarten services agree.

However, we have also heard from kindergarten services that the SRF current priority settings can be limiting.

For example, over 80%¹³ of teachers and educators agree or strongly agree that the current definition of wellbeing should be expanded to include supports that target fine and gross motor development. Respondents also suggested other areas that could be considered, for example expanding the 'communication' priority area to include a specific focus on literacy.

The SRF menu is helping services to target their efforts, but more could be done.

The SRF menu is a valued resource. It brings a wide range of high-quality programs and supports together in one place and helps services use their SRF allocation in a targeted and effective way that reflects local circumstances and the needs of their children.

Kindergarten services reported that menu providers are approachable, engage in explaining what services they offered and helpful in discussing what the activities involved and expectations for participation and costs.

The survey feedback also included great examples of how services adapted their use of SRF to embed programs to support children and families.

"A lot of our parents can't read, so they can come and do lending library and they can become familiar with books, so they're not worried about their child not being able to read when they go to school. There's just so many ways that it's been beneficial to our cohort."

- Kindergarten service

What we've heard – room for improvement

Reviews of SRF show there are opportunities to improve how the SRF menu works.

Approximately 30%¹⁴ of services agree additional information could be provided on the menu items to help services find the best ones to meet their needs.

In addition, services in rural and regional areas report that they sometimes had difficulty finding menu providers willing to travel to their area.

When asked about menu item quality, 72%¹⁵ of services surveyed in 2022 agreed the quality of menu items is variable. Fewer than 50%¹⁶ of services agreed they were given the opportunity to provide feedback on, or evaluate, menu items after they had been accessed.

The impact of SRF could be maximised through better integration into a system of supports.

SRF is one of a number of supports available to kindergartens to target educational disadvantage, alongside programs such as the Kindergarten Quality Improvement Program (KQIP), Kindergarten Inclusion Supports (KIS) and Pre-School Field Officer (PSFO) supports.

These supports are intended to complement each other.

They promote quality program design and delivery, build the skills of educators and families, and support children to ensure all children and families feel welcome, safe and secure at kindergarten.

When kindergarten services were asked whether they believe SRF complements these other programs and supports, approximately 63%¹⁷ agree SRF, the PSFO and the KIS programs are complementary, and 58%¹⁸ agree SRF complements the KQIP.

This data is positive but also indicates there are opportunities to strengthen the alignment between supports to achieve the greatest impact for children.

While it's getting more efficient, implementing SRF takes time.

Feedback from services indicates that the staged rollout has been valuable in generating learnings to refine activities and guidance.

Since the rollout began, services have progressed from building understanding and familiarisation to now being confident to plan in line with their service and community needs.

This confidence arises both from familiarity with the guidelines and from growing capability in using wider sources of evidence to inform their planning.

However, results from the recent survey with kindergarten services shows that SRF planning, review and acquittal processes can take too much time and occur during the busiest times of the year.

Feedback from the sector shows that the current one-year planning process and associated administration can feel rushed and inefficient. For some services, it can also make it hard to be strategic in the planning process.

Approximately half of services¹⁹ surveyed in 2022 said they would welcome a longer planning cycle, which would provide greater funding certainty and support planning across multiple years. They agreed that two years would be the best option.



The way forward

The Victorian Government is committed to meeting the needs of educators, children and families across Victoria.

The views of the sector have been heard and changes are being made to the SRF program.

In line with the original purpose of SRF – to support children experiencing educational disadvantage – it is important to ensure the impact of SRF is maximised.

Over the next two years, the SRF program will be refined in four key areas:

- reviewing the SRF priority areas definitions
- extending the SRF planning cycle from one year to two years
- improving the SRF menu
- continuing to streamline planning and administration

1. Reviewing the SRF priority areas definitions

For SRF to have the greatest impact for children experiencing educational disadvantage in the year before school, it is important to address the developmental needs of children in a holistic way.

For 2023 the ‘wellbeing’ priority will be expanded to incorporate supports for children’s fine and gross motor skill development.

This acknowledges that these skills are necessary precursors for effective social and emotional development.

Regular attendance in a quality early childhood education program can have significant positive impacts for children later in life. The ‘access and inclusion’ priority area will be reviewed to ensure it has a greater focus on:

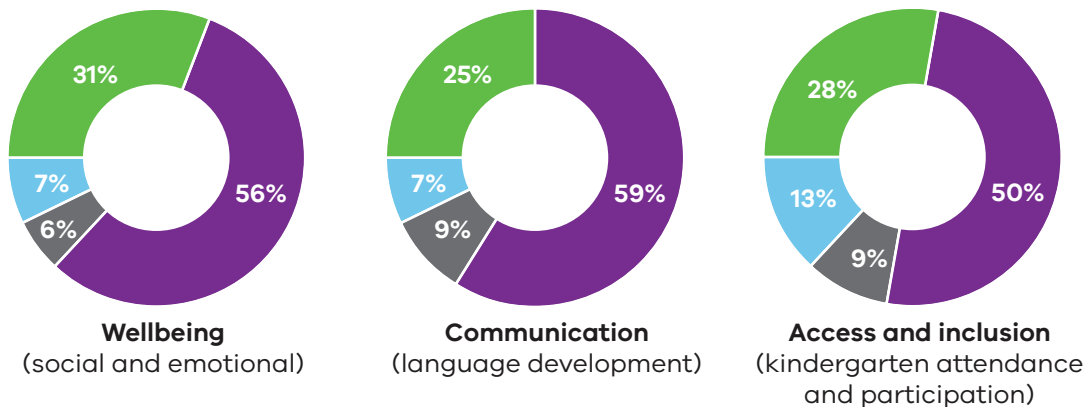
- participation of all children in the kindergarten program
- ensuring regular attendance of children at kindergarten.

Looking beyond 2023, a review of the definitions of the three SRF priority areas will be undertaken together with a review and update of the menu for the 2025 planning cycle.

The new menu will incorporate any expansions to the priority area definitions.

Importantly, all SRF supports will continue to focus on building the skills and knowledge of educators, families and professionals and enhancing the development of all children.

Teacher responses to impact of SRF on priority areas



Strongly Agree
(i.e. substantial improvement is occurring)
Somewhat Agree
(i.e. some improvement is occurring)
Disagree
(i.e. no meaningful change in outcomes)
Unsure / Don't know



2. Extending the SRF planning cycle

In 2024 SRF will move to a two-year planning cycle, for supports that will be in place from the start of 2025.

Services will receive funding allocations for a two-year period and be required to develop one plan for the period.

This will mean re-looking at the way funding is allocated to ensure it continues to reflect the needs of the children at the service across the two-year period.

With a longer planning cycle, services will be able to take time to meaningfully embed programs and supports into their programs, provide staffing certainty and continuity of delivery across a two-year period.

It will also reduce the administrative work associated with planning and allow for longer-term decision making to maximise the benefits from SRF.

Importantly, there will be flexibility within the two-year cycle.

Services will have opportunities to review their two-year SRF plan and adjust them if their characteristics or needs change.

“...I think the goals that we’re setting for kids, for children, for them to be achievable, it probably would benefit having a two-year cycle in that you’re planning for their two years of kinder.”

- Kindergarten service

The way forward

3. Improving the SRF menu

The SRF menu can be improved for the sector.

Across 2022 and 2023, the Department will work with menu providers to improve the level of detail included in menu items and ensure information is up to date and accurate.

Beyond this there will be a full review, with a refreshed menu to be launched in 2024 for the start of the 2025 planning cycle.

The review will:

- improve user experience and make it easier to find specific items
- ensure menu items are high quality, accessible and available
- determine the appropriate number of items on the menu for the longer term

Additional supports will be put in place to help service selection of menu items.

This review will also consider how menu items are managed, including circumstances where menu items would be removed and how feedback on items can be captured and communicated back to the sector.

This will help services make better decisions about the programs and supports they will include in their plans.

It will improve how services are able to find the items that best meet their needs and have the greatest impact for educators, children and families at the service.

4. Continuing to streamline planning and administration

In 2021 the Department introduced the administration and planning allowance for all services.

All services receiving more than \$5,000 in SRF can allocate up to 5% of their funding to support planning and administration. Services receiving \$5,000 or less automatically receive a \$250 administration payment in addition to their SRF allocation.

These payments acknowledge the time and effort services put into the SRF planning process.

The allowance has been well received and means all services can commit time to develop a quality SRF plan that addresses their needs.

The introduction of a longer planning cycle, and a review and update of the SRF menu by 2025, will make the planning process even more efficient.

Planning requirements for services receiving less than \$5000 will also be reduced this year for the 2023 planning cycle.

These services will also receive targeted SRF advice, including guidance on:

- streamlined data analysis
- effective SMART goal development
- choosing menu items for the greatest impact
- developing indicators and measures of success for menu items
- aligning the SRF annual plan with the Quality Improvement Plan

Other steps will be considered to help simplify the planning process while still allowing services to develop a quality plan, backed by service-level data.

SRF also will be better integrated with other programs, and further guidance provided for services to help navigate and make best use of the supports available at a local level.



Next steps

The Department will work closely with the sector to implement the commitments outlined in this document and will continue to listen to, and learn from, feedback about SRF.

Further information on additional opportunities to contribute to and the progression of these reform directions will be available at the School Readiness Funding website and will be directly communicated to the sector.

Timeline of events

- 2018
- School Readiness Funding (SRF) initiative announced
- 2019
- First tranche of SRF rolled out: approximately 600 kindergarten services in 25 local government areas
 - Early Childhood Strategic Evaluation of SRF begins
- 2020
- Second tranche of SRF rolled out: more than 800 kindergartens in 32 local government areas
 - Early Childhood Strategic Evaluation of SRF continues
- 2021
- Third tranche of SRF rolled out: approximately 2,600 kindergarten services across all 79 Victorian local government areas
 - Early Childhood Strategic Evaluation of SRF continues
 - SRF process evaluation begins across 3 phases: Phase 1 leads to the introduction of funding to all services to support administration activities, changes to the policies for the use of additional educators, and allowance for multi-year employment contracts between services and professionals
- 2022
- SRF process evaluation continues
 - Phase 2 investigates monitoring and evaluation processes for the SRF initiative to inform future work
 - Phase 3 leads to the ‘Wellbeing’ priority being expanded to incorporate supports for children’s fine and gross motor skill development, and planning requirements reduced for services receiving less than \$5,000 in SRF, in place for the start of the 2023 planning cycle
- 2023
- Free Kindergarten begins
 - The Department undergoes a full review of the SRF menu, including a review of the priority outcome areas definitions
- 2024
- New and improved menu launched for the start of the 2025 planning cycle, incorporating updates to the SRF priority outcomes areas definitions
- 2025
- SRF moves to a two-year planning cycle with guidance put in place to support changes
 - A staged introduction of Pre-Prep begins

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